



General Assembly

January Session, 2005

**Amendment**

LCO No. 7333

**\*SB0029007333SD0\***

Offered by:  
SEN. HARRIS, 5<sup>th</sup> Dist.

To: Senate Bill No. 290

File No. 343

Cal. No. 290

**"AN ACT CONCERNING INVESTMENTS IN EQUITY SECURITIES  
BY MUNICIPAL RESERVE FUNDS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (c) of section 7-403a of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective*  
5 *October 1, 2005*):

6 (c) The budget-making authority may, from time to time, direct the  
7 treasurer to invest such portion of such reserve fund as in its opinion is  
8 advisable, provided: (1) Not more than forty per cent of the total  
9 amount invested shall be invested in equity securities and (2) not less  
10 than fifty per cent of the total amount invested shall be invested in  
11 United States government obligations, United States agency  
12 obligations, United States postal service obligations, certificates of  
13 deposit, commercial paper, savings accounts and bank acceptances.  
14 Notwithstanding the provisions of this section, if the budget-making  
15 authority has adopted an asset allocation and investment policy for the

16 investment of such reserve fund, then (A) not more than sixty per cent  
 17 of the total amount invested shall be invested in equity securities, and  
 18 (B) not less than forty per cent of the total invested shall be invested in  
 19 United States government obligations, United States agency  
 20 obligations, United States postal service obligations, certificates of  
 21 deposit, commercial paper, savings accounts and bank acceptances.

22 Sec. 2. Section 7-362 of the general statutes is repealed and the  
 23 following is substituted in lieu thereof (*Effective October 1, 2005*):

24 The budget-making authority may, from time to time, direct the  
 25 treasurer to invest, such portion of such fund as in its opinion is  
 26 advisable, provided: (1) Not more than thirty-one per cent of the total  
 27 amount invested shall be invested in equity securities; and (2) not less  
 28 than fifty per cent of the total amount invested shall be invested in the  
 29 stock or bonds or interest-bearing notes or obligations of the United  
 30 States, or those for which the faith of the United States is pledged to  
 31 provide for the payment of the principal and interest, including the  
 32 bonds of the District of Columbia. Notwithstanding the provisions of  
 33 this section, if the budget-making authority has adopted an asset  
 34 allocation and investment policy for the investment of such reserve  
 35 fund, then (A) not more than sixty per cent of the total amount  
 36 invested shall be invested in equity securities, and (B) not less than  
 37 forty per cent of the total shall be invested in the stock or bonds or  
 38 interest-bearing notes or obligations of the United States, or those for  
 39 which the faith of the United States is pledged to provide for the  
 40 payment of the principal and interest, including the bonds of the  
 41 District of Columbia."

This act shall take effect as follows and shall amend the following sections:

|           |                        |           |
|-----------|------------------------|-----------|
| Section 1 | <i>October 1, 2005</i> | 7-403a(c) |
| Sec. 2    | <i>October 1, 2005</i> | 7-362     |